

ORDINANCE NO. 606

AN ORDINANCE OF THE CITY OF LAS ANIMAS, COLORADO, ACTING BY AND THROUGH ITS SEWER ENTERPRISE, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, DATED AS OF November 12, 1998 BETWEEN THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY AND THE CITY, ACTING BY AND THROUGH ITS SEWER ENTERPRISE, AND THE ISSUANCE OF A GOVERNMENTAL AGENCY BOND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,070,000 EVIDENCING THE OBLIGATION OF THE CITY, ACTING BY AND THROUGH SUCH ENTERPRISE, UNDER THE LOAN AGREEMENT.

WHEREAS, the City of Las Animas (the "City") is a statutory city operating under the constitution and laws of Colorado; and

WHEREAS, the City is the operator of a municipal waste water system (the "Sewer System"), which Sewer System has historically been operated on a self-supporting basis with its financial operations accounted for in the sewer enterprise fund of the City; and

WHEREAS, City Council is authorized, pursuant to Section 37-45.103, Colorado Revised Statutes, to operate the Sewer System as an enterprise (the "Sewer Enterprise") of the City within the meaning of Article X, Section 20 of the Colorado Constitution, and the City Council is authorized under such statute to act as the governing body of the Sewer Enterprise; and

WHEREAS, City Council has adopted concurrently with this Ordinance, on October 7, 1998, Ordinance No. 607, ratifying the existence of the "City of Las Animas Sewer Enterprise" pursuant to the provisions of Article X, Section 20(2)(d) of the constitution of the state of Colorado; and

WHEREAS, the District has made an application to the Colorado Water Resources and Power Development Authority (the "Authority") for a loan to finance the addition of improvements to the Sewer System, including the construction of a four-cell, aerated wastewater treatment system (the "Project"); and

WHEREAS, the Authority has accepted such application and expressed its interest in making such loan, subject to certain conditions; and

WHEREAS, there has been filed with the City Clerk the form of Loan Agreement, dated November 12, 1998 (the "Loan Agreement"), between the Authority and the City, acting by and through the Sewer Enterprise; and

WHEREAS, the Loan Agreement provides for the issuance by the City, acting by and through the Sewer Enterprise, of a Governmental Agency Bond in the principal amount not exceeding \$1,070,000 (the "Bond") evidencing the obligations of the City; acting by and through the Sewer Enterprise, under the Loan Agreement; and

WHEREAS, pursuant to Sections 37-45.1-103(4) and 37-45.1-104, Colorado Revised Statutes, the City Council, as the governing body of the Sewer Enterprise, is authorized to issue revenue bonds in the name of the Sewer Enterprise.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAS ANIMAS, COLORADO, AS THE GOVERNING BODY OF THE SEWER ENTERPRISE:

Section 1. The forms of Loan Agreement and the Bond and any changes thereto as may be necessary in the opinion of the attorney for the City and bond counsel to effectuate the intentions of the parties or to comply with the provisions of applicable law are hereby approved.

Section 2. The Mayor and the City Clerk of the City are hereby authorized and directed to execute and deliver to the Authority the Loan Agreement and any other documents which are required to complete and close this transaction, provided the same have been reviewed and approved by the attorney for the City.

Section 3. The City shall issue the Bond to evidence the obligations of the City, acting by and through the Sewer Enterprise, under the Loan Agreement. The Bond shall be in the principal amount, mature on the date or dates, bear interest payable at the rate and on the dates, be pre-payable at the option of the City, acting by and through the Sewer Enterprise, on the dates and at the prices, be in the form and be secured in the manner provided in the Loan Agreement, provided, however, that the term of the Loan shall not exceed twenty (20) years and the net effective interest rate of the Bond shall not exceed 4.50%.

Section 4. The Mayor and the City Clerk of the City are hereby authorized and directed to execute and deliver the Bond to the Authority.

Section 5. All action not inconsistent with the provisions of this Ordinance heretofore taken by the City or its officers and otherwise directed toward the authorization of the undertaking and completion of the Project and the authorization of the Sewer Enterprise to have and in connection therewith to exercise the necessary powers is hereby ratified, approved and confirmed.

Section 6. All ordinances, resolutions, bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw, order or other instrument, or part thereof, heretofore repealed.

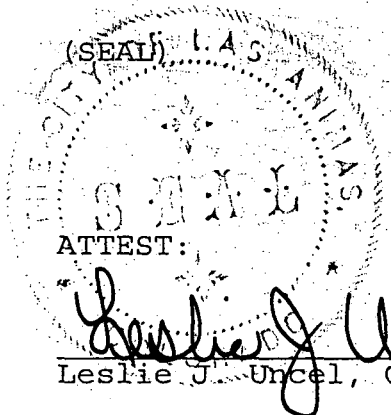
Section 7. If any section, subsection, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity to unenforceability thereof shall not affect any of the remaining sections, subsections, paragraphs, clauses or provisions of this Ordinance.

Section 8. This Ordinance shall be recorded in a book kept for that purpose and shall be authenticated by the signature of the Mayor and attested by the City Clerk, as soon as may be practical after its adoption and published as required by law.

Section 9. This Ordinance shall be effective 30 days following final publication, as provided by law.

INTRODUCED, READ AND PASSED ON FIRST READING at a special meeting of the City Council the 7th day of October, 1998; ordered published in full in the Bent County Democrat in accordance with law in its issue of October 15, 1998, and consideration on final passage set for a special meeting of the City Council to be held on the 28th day of October, 1998, at 7:00 p.m., at the City Hall in Las Animas, Colorado.

INTRODUCED, READ AND FINALLY PASSED AND ADOPTED ON SECOND READING on the 28th day of October, 1998. Ordered for final publication in the Bent County Democrat accordance with law in its issue of October 29, 1998.



  
William F. Howland, Mayor

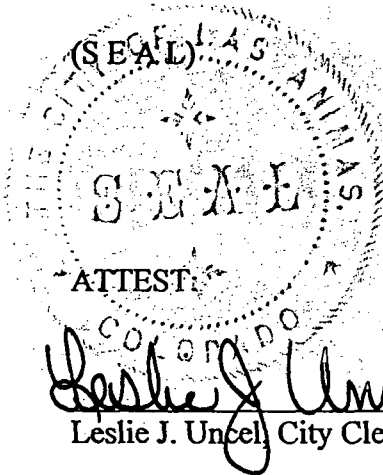
It was thereupon moved by Member Carl Watkins  
and seconded by Member Simona Gallegos that the  
foregoing Ordinance be finally passed and adopted.

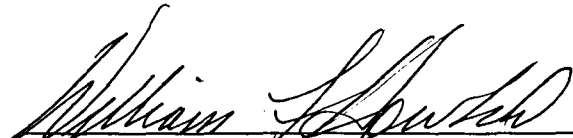
Those voting AYE: Six

Those voting NAY: None

Not less than a majority of the Members of the City Council having voted in favor of the motion, the presiding officer thereupon declared the motion carried and the Sewer Enterprise Ordinance finally passed and adopted.

Thereupon, after consideration of other business to come before the City Council, the meeting was adjourned.



  
William F. Howland, Mayor

STATE OF COLORADO )

CITY OF LAS ANIMAS )

COUNTY OF BENT )

I, Leslie J. Unce, Secretary of the City Council of the City of Las Animas, do hereby certify that the foregoing pages numbered 1 to 6, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the City Council relating to the final passage and adoption of an ordinance of City Council establishing the City's Sewer Enterprise, all at the special meeting of the Members of the City Council held at the City Hall, Las Animas, Colorado on October 28, at the hour of 7:20 PM as recorded in the official record of proceedings of said City kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; all in accordance with law.

WITNESS my hand and the seal of said City this 29<sup>th</sup> day of October, 1998.



Leslie J. Unce  
Secretary

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